

ILLEGIB

2 August 1978

NOTE FOR: John
FROM: Sheila
SUBJECT: NFIP FY 80 Budget Data Call

1. The budget call is a memo from you to program managers telling them how to prepare their fall budget submissions. Because these submissions to us are "off-line," they do not contain all the information required in Federal budget form. The format we are using does seem to follow the basic blueprint prescribed, however, by OMB. It is not clear how much that is a matter of choice or necessity. The purpose of this submission is to provide us with enough data to make a document for OMB and Presidential review, to direct department heads on what to do in their "on-line" submission through their agencies (except CIA, who makes a direct submission to OMB and the President).^{*} The format and instructions for completing the ZBB forms appear to be pretty much like that used last year. According to people in OPBD, they receive sufficient detail under these instructions to move from decision unit to budget line items. Their other criteria for judging the adequacy of these instructions are that they have information by which they can judge whether spending is being budgeted as programmed, that numbers are not inflated, and that all proposed purchases can be completed within the indicated fiscal year. I am not certain that these are the correct criteria, but it does seem clear that any major changes in these instructions will have to be a very long-term project.

2. I think the most important changes to be made ^{now} are the following:

- NFIP Budget Review Schedule is included in the package. Since we do not know what format we want to follow for the budget review, we should probably translate this schedule into a narrative statement that a budget review will be held between the dates of September 15 and November 15 when we plan to submit the budget to the President; that we will rely upon the program managers' participation during that

* A problem for the future: We have no process for making any check to see that program managers submissions that go through agency budgets or even the CIA formal budget submission corresponds to what has been approved in our NFIP budget.

period for budget hearings, and reviews of proposed budget; that we anticipate also an opportunity for them to appeal DCI tentative budget proposal, NFIB consultation and PRC(I) consultations on the budget proposal; and that a more detailed schedule will be provided in late August. (I am told that it is important for program managers to have a detailed schedule now, but have not been able to find any evidence of great harm that would result from delaying this schedule until late August.)

- Attachment 1. This is the directive which is varied for each program manager telling him the details of the decision memorandum, other additional instructions, guidance levels, fiscal cut-offs, etc. We may wish in this document to direct, wherever possible, that some studies be provided before September 15. As things are now planned we will be inundated between the 15th and the 22nd. OPBD would also like to include here fiscal cut-off levels, that is directions for what portion of each program should be defined as an overall minimum, and overall DCI level and a zone in which we will entertain above guidance proposals. I am not certain, but you may wish to approve this, since it is a step toward larger groupings of packages, and permits program managers to define a minimum level overall in which we can decide not to interfere.
- In the budget review and in the attachment 1 we may wish to indicate that there will be issue or program hearings (this was not done last year).
- Instructions to provide target data. This is a question because Donahue has asked for it. We have discussed this briefly, I cannot see how it could provide usable data.
- Along with the instructions we may want to break out the category in which we ask the program managers to flag units which are co-funded in their program and others (if program managers could identify projects which are funded across programs, this could save us some of the one to end manipulations.)
- Update to exchange rates. Given recent fluctuations in exchange rates, we may need to update these figures. We should also note that if fluctuations continue we will adjust these later in the fall.

-- For the CIA instructions in particular, we may wish to direct that their other budget submissions go not directly to OMB, but through us.

3. It does seem important that at least the ZBB format be provided to program managers in the near future. I think that if we do not issue an NFIP budget review schedule an itemization of events that will take place within that schedule, we can issue the data call without seriously limiting our flexibility to revise last year's budget review format.